



# SINGLE STOCK FUND



# New Credit Procedures



# Objective

**Objective:**  
basic  
**Stock Fund Credit**  
**Procedures**

**To provide the student with a  
understanding of Single  
Policy and**

**Standard: The student will be able to answer  
questions relating to Single  
Stock Fund  
Credit Policy when asked  
by the instructor**



# Topics

- **Comparison of current and SSF credit policy**
- **Financial Management Changes**



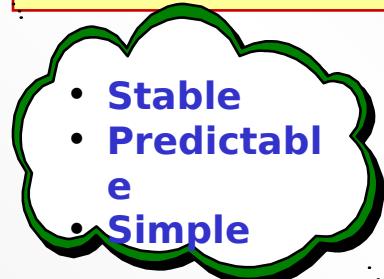
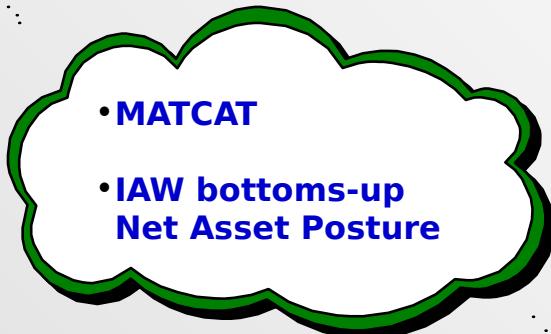
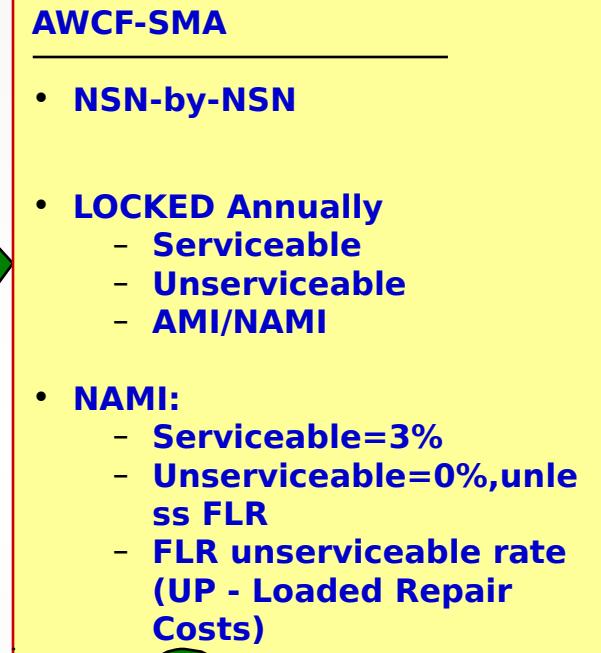
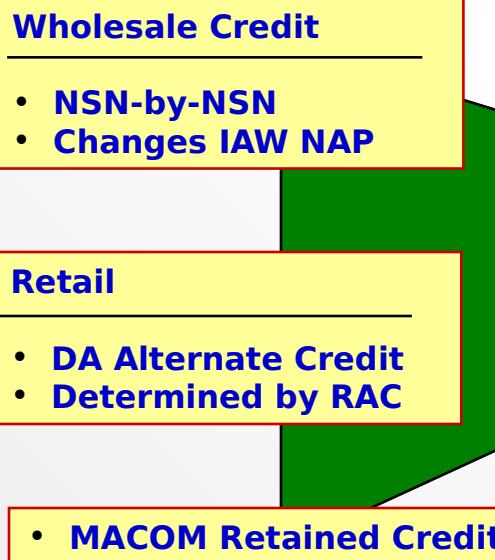
# Army Credit Policy

Yesterday

1 Oct 00

Today - Complex Tiered, Credit Process

Single Process





# SSF Credit Procedures



## Current Credit Procedures



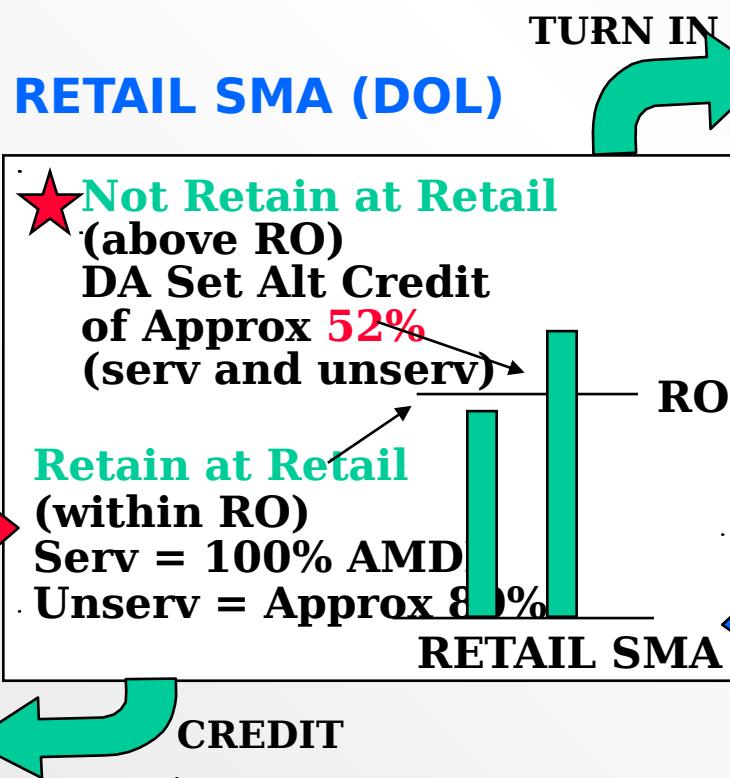
# USARC Procedures



- Credit flows to RSC
- Need to develop local SOP on tracking credit in ARSIDS
- USARC decision to use Eagle Group SARSS reconciliation
- All excess flows to Fort Gillem



# Pre-SSF Army Credit Policy



## WHOLESALE SMA (ICP)

Serviceables granted credit to AAO:  
**Credit Given** = AMDF - Surcharge

MAX RETENTION LIMIT  
AAQ  
RO

W/S SMA

Unserviceables granted credit to Retention Li  
**Credit Given** = AMDF - (surcharge + repair + washout)  
Above MRL: 0 credit



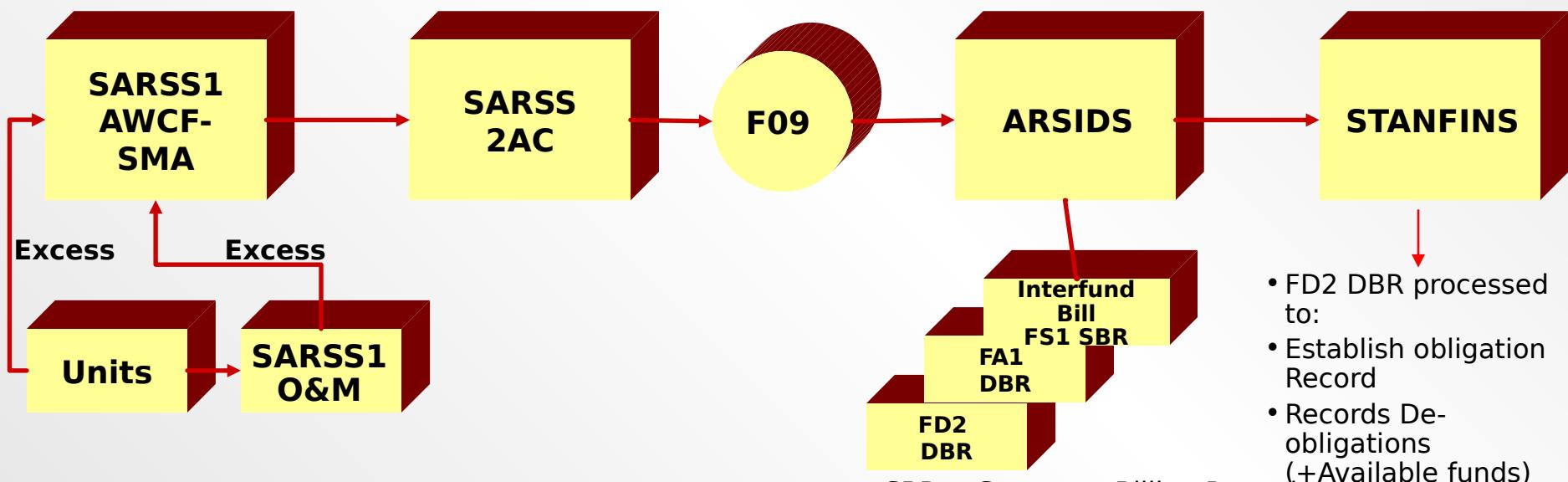
# Consumer Funded Activity to Retail Stock Fund (RSF)



MACOM Credit time is in two parts:

## 1. **Retail Stock Fund to Consumer**

2. Wholesale to Retail Stock Fund Infuses OA  
(Note: Total time est. 3-30+ days)



- FD2 DBR processed to:
- Establish obligation Record
- Records De-obligations (+Available funds) negative
- Close obligation record

SBR = Summary Billing Record

DBR = Detailed Billing Record disbursement

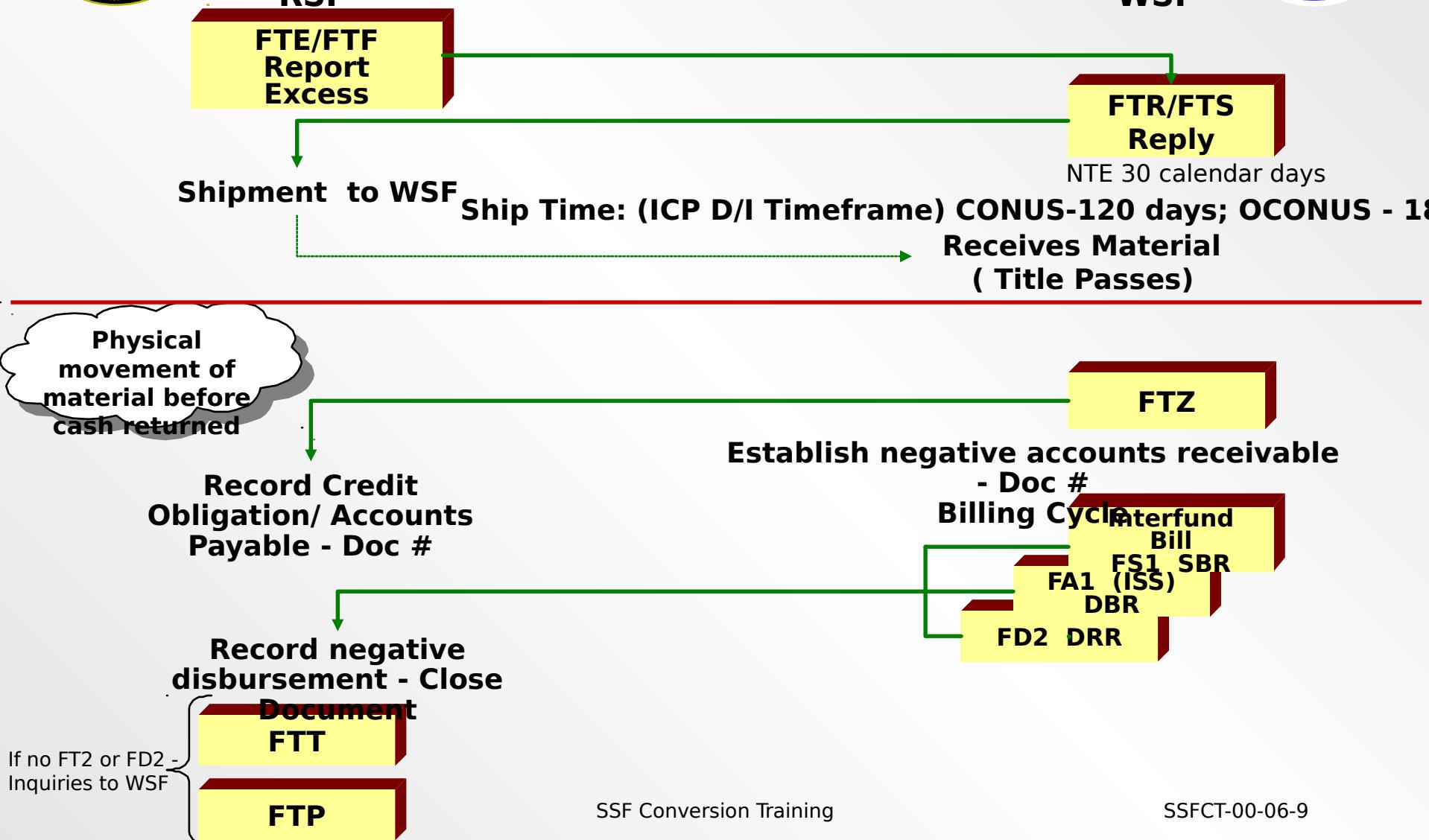
FA1 = Issue DBR

FD2 = Return DBR



# RSF to Wholesale Stock Fund (WSF)

## 2. Wholesale to Retail Stock Fund - Infuses OA





# Phasing of Credit Processes

- Army new credit process 1 Oct 00:
  - NSN-by-NSN, annualized, stable, predictable
- Key to the follow-on transition for SARSS installations is transition to the ISB
- A transitional “Alternate Credit” process was implemented for activities using STARFIARS-Current
  - Credit will be rolled to the MATCAT (as it is today) with approximation of NSN-by-NSN values



# Credit Table modifications

- Once the transition occurs, HQDA will review and adjust for any glaring shortages:
  - New NSNs will be considered for inclusion
  - Items re-coded as obsolete will receive credit as specified in until the next year's update
  - Credit values for items provisioned after the official update will be published in the annual FEDLOG for the following FY
  - If a value is not shown, the value will be resolved by contacting AMC's installation representative.



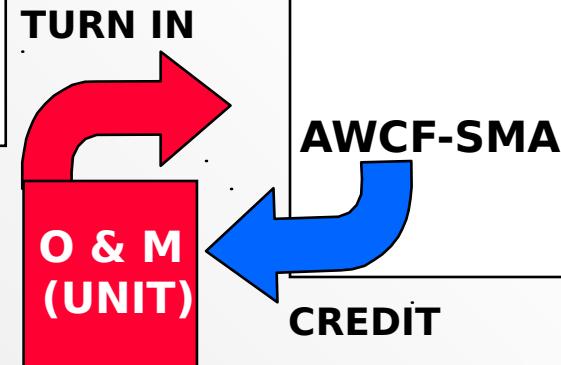
# Turn-in Supply Actions

- Materiel receipt transaction (DIC) D6A occurring at the AWCF-SMA point of turn-in that cite RACs 1N/1P/1V /1W /1X/1Z, will be matched on an NSN-by-NSN basis to the credit table.
- Condition Codes
  - A through E: Serviceable credit
  - F and/or G: Unserviceable credit
  - All others: No credit
- Credit reversal policy is being considered for application under limited conditions



# New Army Credit Policy

- Needs Based
- NSN by NSN
- Yearly lock in at beginning of year
- Different rate for serviceable and unserviceable



## Single Stock Fund Credit

### Army Managed Items (AMI)

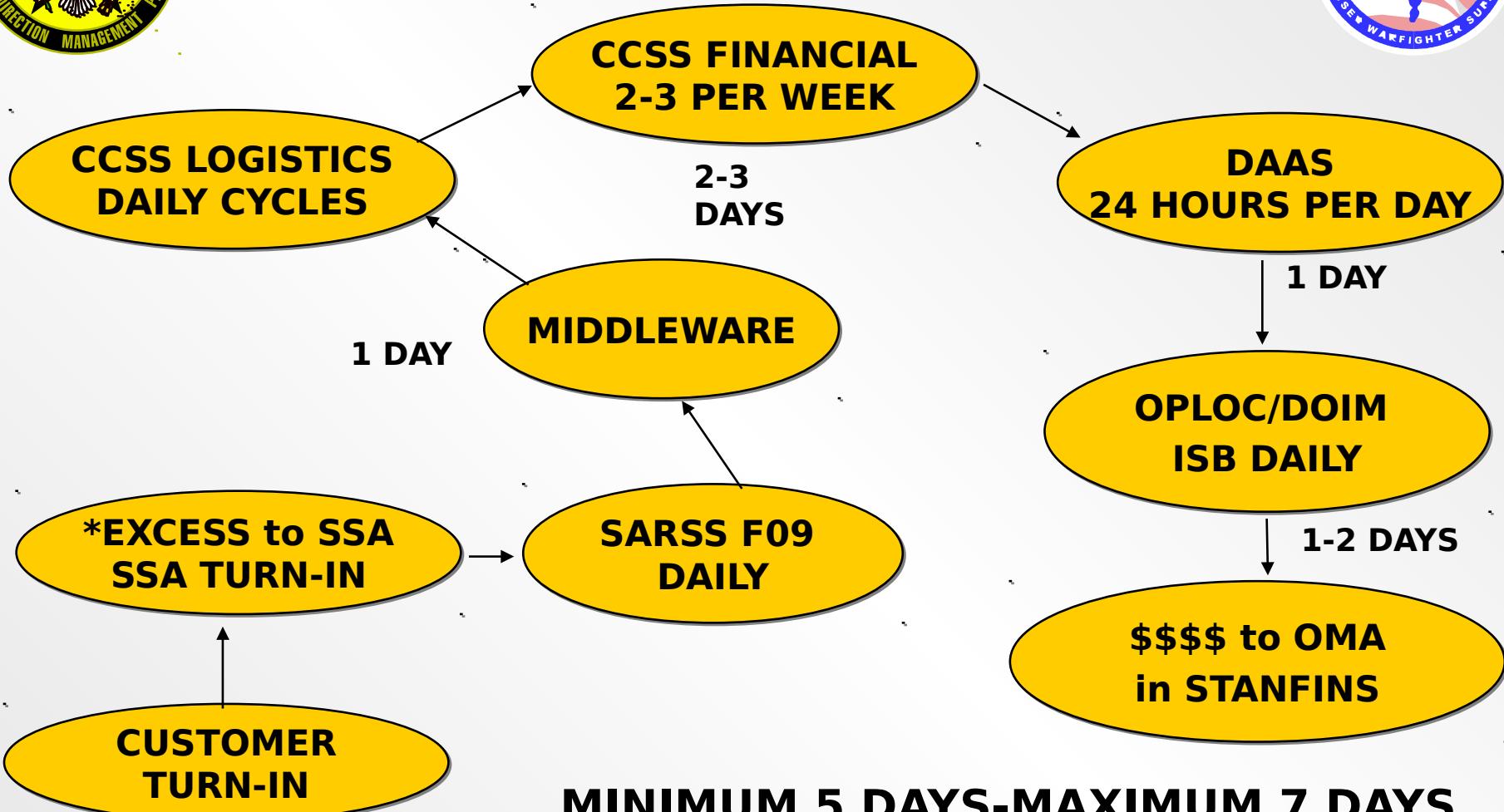
Serviceable credit = AMDF - Surcharge  
Unserviceable credit = AMDF - (surcharge + repair + washout)

### Non-Army Managed Items (NAMI)

Serviceable credit = AMDF x 3%  
Unserviceable credit = 0  
(excluding FLR/DLR)



# SSF Credit Process

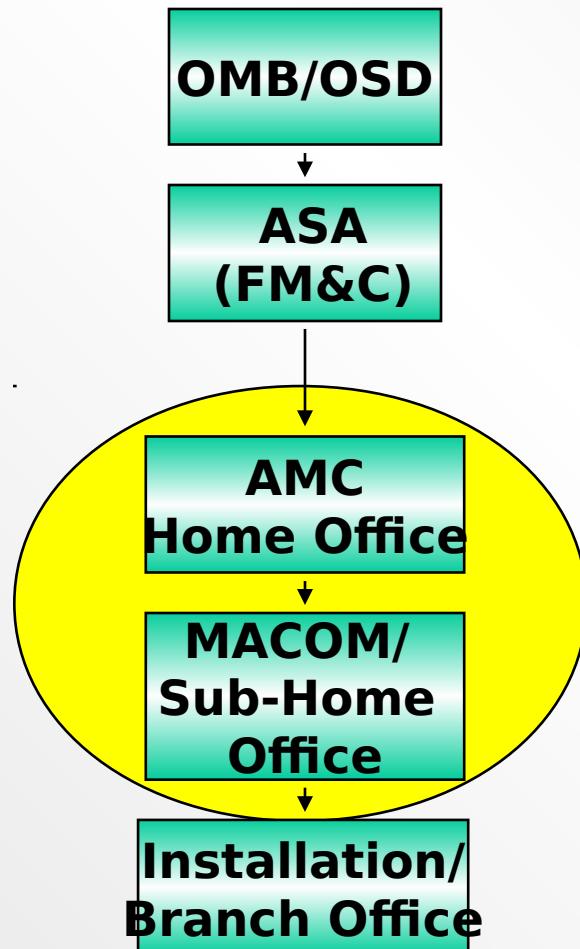


\*Also TRADOC Customer

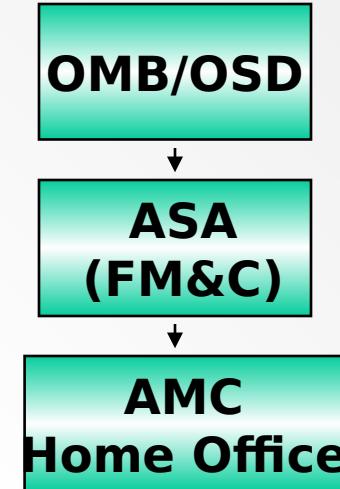


# SMA Management Roles and Responsibilities

1 Oct 99



1 Oct 00



MS1&2



# SMA Price and Credit Process Policy



- **Being institutionalized to tie price and credit processing to the President's Budget (PB)**
- **Used to update financial data during POM, BES, and PB.**
- **Standard price update designed to obtain LAC plus updated surcharge adjustments to ensure AWCF maintains unit cost goal of “One”.**
- **Surcharge is based on total operating costs by commodity managed item divided by the total sales of that commodity’s items at LAC**



# Credit Policy Comparison

	<b>Pre SSF</b>	<b>Post SSF</b>
<b>Maintenance</b>	<ul style="list-style-type: none"><li>Encourages return of serviceable excess &amp; unserviceable items</li><li>Incentivizes local repair <u>regardless of national need</u></li></ul>	<ul style="list-style-type: none"><li>No change</li><li>Ties incentives for local <u>repair to national need</u></li></ul>
<b>Inventory</b>	<ul style="list-style-type: none"><li><u>Local need</u> considered</li></ul>	<ul style="list-style-type: none"><li>Based on <u>national need</u></li><li>Moving towards RO</li></ul>
<b>Rates</b>	<ul style="list-style-type: none"><li>Credit granted to the RL</li><li><u>Retail set variable</u> retained rate, <u>by MATCAT</u></li><li><u>Fixed alternate</u> rate set by DA, <u>by MATCAT annually</u></li><li>Different rates for serviceable/unserviceable</li><li><u>Credit</u> for unserviceable consumables</li></ul>	<ul style="list-style-type: none"><li><u>National fixed</u> flat rate, <u>by NSN, set annually</u></li><li><u>Fixed national</u> flat rate, <u>by NSN, annually</u></li><li>No change</li><li><u>Zero credit</u> for unserviceable consumables</li></ul>
<b>Funding</b>	<ul style="list-style-type: none"><li>Linked to OPTEMPO -- Aprx 52% of requirements</li></ul>	<ul style="list-style-type: none"><li>No change planned</li></ul>



# SSF Credit Policy Summary



## ***Based on Requirements***

- Streamlines credit process
- Extremely simple to understand
- Yearly stabilized rates
- Smart business practice
- Financially supportable
- Maintains SMA solvency
- Does not repair to excess
- Supports NMM
- ICW supply policy



# Summary



- **Changes in Army Credit policy to reflect NIIN based credit**
- **Single Credit Process to reduce duplication of effort in dual tiered supply system**